GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:4911
ANSWERED ON:20.12.2002
LOAN TO UTTAR PRADESH
AKHILESH SINGH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the scheme-wise loan granted to Uttar Pradesh by the Union Government during the current Five Year Plan period so far;

(b) whether the Union Government have issued any direction for re-payment of loan in instalment by the State Government of Uttar Pradesh as per the terms and conditions; and

(c) if so, the details of annual interest accrued on the entire loan raised by the State Government of Uttar Pradesh?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V.ADSUL)

(a):The item wise, loan component, of Central assistance for financing of Annual Plan 2002-03, released from the Ministry of Finance, to the Government of Uttar Pradesh during the current year (so far) is as under:-

(Rs. in crore)

Item	Loan
Normal Central Assistance	1227.05
Addl. Central Assistance for	
(a) Externally Aided Projects	459.10
(b) Accelerated Power Dev. Projects.	15.06
(c) Accelerated Irrigation Benefits Programme	194.97
(d) Slum Dev. Scheme	14.03
(e) Pradhan Mantri Gramodaya Yojna	129.80
(f) Rural Electricity Pro.	75.00
(g) Addl. Central Assistance	1.74

(b) & (c);Repayment of loans under State Plan and Ways & Means advances are guided by the terms and conditions laid down for such loans. Currently, w.e.f. 1.04.2002, the rate of interest on Ways & Means advance is 8% per annum which is recoverable within the year, while rate of interest on loans to State Governments under the financing their plan, is 11.50% per annum.

These loans when drawn in instalments, will be consolidated and deemed to have been drawn as on 1st October in each year. The maturity period of the loans sanctioned for State plans from 1990-91 onwards is 20 years, repayments being made in 20 annual equal instalments together with interest on the outstanding balance commencing from the following year.

However, 50% of these loans will enjoy a five year initial grace period, after which repayment of these loans will be affected in 15 annual equal stalment. The amounts annually payable (by way of principal and interest) would be recovered in 10 equal monthly instalments commencing 15th June.